



Setting Standards of Excellence in Public Service

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, September 19, 2018 – 6 p.m.
7811 University Avenue, La Mesa, CA 91942-0427

1. President Hedberg called the regular board meeting to order at 6 p.m. The roll call showed a quorum of the board present: Directors Hedberg, McMillan, Scalzitti, Verbeke and Gracyk.

Staff present: Lugo, Tomasulo, Miller, Olney, Bryant, Berens, Lundy, Janzen, Schipper, Ross and Annett. General Counsel Kelly J. Salt was also present.

Others present: Customer John L. Wood.

2. Vice President McMillan led the Pledge of Allegiance. No invocation was provided.
3. General Manager Carlos V. Lugo reported there were no additions or deletions to the agenda. The motion to approve the agenda carried unanimously.

Motion: Gracyk
Second: Scalzitti

4. President Hedberg provided opportunity for members of the public to address the board on any item under the subject matter jurisdiction of the district. There were no requests to be heard.
5. The motion to approve the consent agenda carried unanimously. There were no public comments.

Motion: Scalzitti
Second: Verbeke

- a) Memorandum dated September 19, 2018, from the secretary of the board submitting expense and per diem claims was approved.

- b) The board approved the September 5, 2018, regular board meeting set of minutes.
- c) The following operating account checks submitted for ratification were approved:
 - i. List dated September 5, 2018
 - ii. List dated September 12, 2018

Director Gracyk requested the Finance and Administration Committee review the district's purchasing procedures at a future meeting. Director Scalzitti encouraged the board to consider review of the district's purchasing procedures at a Committee of the Board meeting. Director Gracyk asked a multitude of questions regarding page 7 of the September 12, 2018 check run in regards to Home Depot credit services. Discussion ensued and staff reported they would follow up regarding the number of district credit cards and the Home Depot credit limit. General Manager Carlos V. Lugo reported all purchases are approved by the manager and director for multiple levels of authorization with attention to keeping costs down. Director of Administrative Services Jennifer C. Bryant also reported the auditor measures internal controls and will report to the Finance and Administration Committee at the special meeting on October 1, 2018.

- d) The board adopted the following resolutions:
 - i. Resolution 18-35 authorizing the quitclaim of an easement over a portion of assessor parcel numbers 483-071-48, 52 and 53, in the city of El Cajon, county of San Diego, state of California
 - ii. Resolution 18-36 authorizing the quitclaim of easement interests for ingress and egress over a portion of Lomita Road, in unincorporated El Cajon, county of San Diego, state of California, adjacent to assessor parcel numbers 493-410-74 and 493-410-75

ACTION ITEMS

- 6. The board appropriated funds in the amount of \$100,000 from schedule 64, item 19 of the fiscal year 2018-19 capital budget for the preliminary design of the 54-20 large valve replacement project CIP19019. There were no public comments. The motion carried unanimously.

Motion: Gracyk
Second: Verbeke

Engineering Manager Milica Schipper provided a PowerPoint presentation and answered all questions regarding the presentation photographs, project location and 24 hours per

day, seven days per week demand on valves with the assistance of General Manager Carlos V. Lugo and Director of Water Quality/System Operations Brian M. Olney.

7. The board adopted Resolution 18-37 declaring construction complete and authorized filing a notice of completion for pipeline replacement project at Dennstedt, Murray, El Monte, W. Main, Alleys, Grape, Renette and Easement, CIP19027. There were no public comments. The motion carried unanimously.

Motion: Scalzitti
Second: Verbeke

Engineering Manager Timothy J. Ross provided a PowerPoint presentation and answered all questions regarding change order credits, pipeline replacement priorities and planning with the assistance of General Manager Carlos V. Lugo and Director of Engineering James A. Tomasulo.

8. The board adopted Resolution 18-38 declaring construction complete and authorized filing a notice of completion for the Lake Cuyamaca Dam and Chet Harritt Dam pavement improvements project CIP19017. There were no public comments. The motion carried unanimously.

Motion: Scalzitti
Second: Verbeke

Engineering Manager Timothy J. Ross provided a PowerPoint presentation including drone footage of both dams.

President Hedberg turned the meeting over to Vice President McMillan to chair the meeting at 6:54 p.m. when President Hedberg recused herself from agenda item 9 stating her spouse works for San Diego Gas and Electric. A quorum of the board remained.

9. The board authorized General Manager Carlos V. Lugo to execute a four-year extension with Calpine Energy Solutions, LLC to purchase direct access electricity beginning on January 1, 2020. There were no public comments. The motion carried 4:0.

Motion: Verbeke
Second: Scalzitti
Ayes: McMillan, Scalzitti, Verbeke, Gracyk
Absent: Hedberg

System Operations Manager Michelle P. Berens provided a PowerPoint presentation and answered all questions regarding the terms of the contract, energy use and potential for future renewable energy projects with the assistance of Director of Water

Quality/System Operations Brian M. Olney.

President Hedberg return to the meeting at 7:20 p.m. following the conclusion of item 9. Chair McMillan turned the meeting over to President Hedberg.

REPORTS

10. Reports for the months of July and August 2018:

- a) July 2018 financial reports
- b) August 2018 financial reports
- c) Rainfall, Use and Storage
- d) System Demand
- e) Monthly Demand
- f) Conservation Status
- g) State Water Resources Control Board

Director of Administrative Services Jennifer C. Bryant detailed the July and August 2018 financial reports. Ms. Bryant outlined the financial reporting improvements. President Hedberg requested System Operations Manager Michelle P. Berens detail the remainder of the reports. There were no public comments.

11. President Hedberg, Vice President McMillan, Directors Verbeke and Gracyk provided written reports. In addition, Vice President McMillan reported attending the September 18, 2018 Council of Water Utilities meeting and the September 19, 2018 East County Economic Development Council meeting. He reminded the board of the Lakeside Chamber of Commerce mixer hosted at Lake Jennings on September 20, 2018 at 5:30 p.m. and recommended the campground remain open for touring until 7:30 p.m. Director Scalzitti reported that he also attended the Council of Water Utilities meeting and that the San Diego County Water Authority Board of Directors meeting will be conducted on September 27, 2018.

Director Verbeke reported she is still serving on the selection committees for the Association of California Water Agencies executive director and the Water Conservation Garden executive director. Director Verbeke reminded the board of the October 18, 2018 ACWA Region 10 event entitled *Removing Barriers to Innovation in Water*. Director Verbeke also reported the Water Conservation Garden event on September 14, 2018, was successful with approximately 60 people in attendance.

Director Gracyk reported attending the following events: September 8, 2018, East County Water Festival at the East County Advanced Water Purification Demonstration Facility,

the September 17, 2018, city of La Mesa Environmental Sustainability Commission and the September 18, 2018, Council of Water Utilities meeting.


12. President Hedberg reported that the East County Water Festival was done well and provided an excellent model for conducting public outreach events. Discussion ensued. President Hedberg thanked staff for the September 12, 2018, Power Your Drive event and also reminded the board of the September 20, 2018, Lakeside Chamber of Commerce mixer to be hosted at Lake Jennings. President Hedberg reported the San Diego County Water Authority has nominated new board members and that Mark Weston has retired from the board.

Secretary of the Board Sandra L. Janzen reported that the district received a customer comment regarding the excellent service received from Inspector II William O. Gaston.

13. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled on September 26, October 1, 3 and 10, 2018, and reminded the board of the September 25, 2018, Advanced Water Purification Ad Hoc Committee meeting at the administration office at 10 a.m. There were no public comments.
14. General Counsel Kelly J. Salt stated she had nothing additional to report. There were no public comments.

ADJOURNMENT

15. President Hedberg adjourned the meeting at 8:08 p.m.



Kathleen Coates Hedberg, President

ATTEST:



Sandra L. Janzen, Secretary of the Board